

**COMMISSIONERS**  
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**PAUL NEWMAN**  
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**BOB STUMP**



**ARIZONA CORPORATION COMMISSION**

**Commissioner**  
**Sandra D. Kennedy**  
  
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February 7, 2011

John Hester  
Southwest Gas Corporation  
5241 Spring Mountain Road  
Las Vegas, Nevada 89150-0002

Cass Palazzari  
El Paso Natural Gas Company  
2 North Nevada Avenue  
Colorado Springs, CO 80903

Phil Dion  
UNS Gas, Inc.  
One South Church Avenue, Suite 200  
Tucson, Arizona 85701

Shelley Corman  
Transwestern Pipeline Company, LLC  
711 Louisiana Street, Suite 900  
Houston, TX 77002

RE: NATURAL GAS OUTAGES IN THE TUCSON AND SIERRA VISTA, ARIZONA AREAS, FROM  
APPROXIMATELY FEBRUARY 3 THROUGH FEBRUARY 8, 2011

Ladies and Gentlemen:

I am inquiring into the natural gas outage referenced above in which approximately 20,000 Arizona natural gas retail customers lost service during one of the coldest periods in Arizona history. It is important to me, and I believe to many others, to understand just what happened and why. Please provide responses to my initial set of questions. I may have additional questions, depending on the completeness of your answers.

1. In your opinion, what caused the outages to occur? Please provide as much detail as possible.
2. Were the outages a surprise to your company or did your company have some advance warning that the impending situation could result in outages to retail customers?
3. If your company did have advance warning, how much in advance of the outages was that warning and when did your company notify the Arizona Corporation Commission of the possibility of outages?
4. Did your company have an emergency plan of some kind in place to deal with this type of situation? If no, why not?
5. If your company did have an emergency plan in place, how did that plan work in this situation? In other words, what parts of the plan worked as desired and what parts need improvement? For those parts that need improvement, please provide as much detail as possible.
6. How were the aspects of the outage and how your company was dealing with restoring service communicated to your customers, in particular those customers that were directly impacted by the outages?
7. There is no natural gas storage in Arizona. If there would have been natural gas storage available to your company in Arizona, would that have mitigated the impact of the outages? Please provide as much detail as possible.
8. Is your company working, either on its own or in conjunction with other entities, on establishing natural gas storage in Arizona? If no, why not? If yes, please provide as much detail as possible.

9. If your company is not working on establishing natural gas storage in Arizona, do you know of any entities that are working on this issue?
10. Are there any other measures (other than storage) that you are considering or have considered that would help mitigate such a situation in the future?
11. Please provide any other information that you believe would be helpful to me and the other Commissioners in this inquiry.

Please provide the above responses as soon as possible, but no later than February 21, 2011. Upon receipt of responses from all appropriate parties, I will be asking the Arizona Corporation Commission Chairman to schedule a Special Open Meeting at which all the above may be discussed. Thank you in advance for your prompt response.

Sincerely,



Sandra D. Kennedy  
Commissioner

cc: Gary Pierce, Chairman  
Bob Stump, Commissioner  
~~Paul Newman, Commissioner~~  
Brenda Burns, Commissioner  
Honorable Russell Pearce, President of Arizona Senate  
Honorable Kirk Adams, Speaker of Arizona House  
Representative Peggy Judd  
Representative David Stevens  
Senator Gail Griffin  
Representative Terri Proud  
Representative Vic Williams  
Senator Al Melvin  
Representative Sally Ann Gonzales  
Representative Macario Saldate  
Senator Olivia Cajero Bedford  
Representative Steve Farley  
Representative Bruce Wheeler  
Senator Paula Aboud  
Representative Matt Heinz  
Representative Daniel Patterson  
Senator Linda Lopez  
Representative David Gowan  
Representative Ted Vogt  
Senator Frank Antenori  
Ernest G. Johnson, Executive Director  
Janice Alward, Chief Counsel  
Steve Olea, Utilities Division Director  
Robert Miller, Chief of Pipeline Safety